

1 PATERSON HOUSING AUTHORITY
2 PATERSON, NEW JERSEY
3 MONDAY, APRIL 17, 2017
4 COMMENCING AT 6:40 P.M.
5 REGULAR MEETING

6 THERE BEING PRESENT:

7 REV. MICHAEL McDUFFIE, CHAIRPERSON
8 PETER RENDINA, VICE CHAIRPERSON
9 REV./DR. DOUGLAS L. MAVEN, COMMISSIONER
10 BRENT NATION, COMMISSIONER
11 ROBERT F. GUARASCI, COMMISSIONER

12 ALSO PRESENT:

13 IRMA GORHAM
14 EXECUTIVE DIRECTOR
15 DALE JONES
16 ASSISTANT EXECUTIVE DIRECTOR
17 FRED VAZQUEZ
18 DEPARTMENT OF MODERNIZATION & DEVELOPMENT
19 LYNETTE WARREN
20 RECORDING SECRETARY
21 DELINDA HOLMES
22 ASSISTANT PURCHASING AGENT

23
24 **KIM O. FURBACHER, C.C.R., R.M.R.**
25 **P.O. BOX 213**
ROCHELLE PARK, NJ 07662
201-906-9761

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ALSO PRESENT (cont'd):

JOHNNIE JACKSON
DIRECTOR OF LEASING & OCCUPANCY

ILEANA KMECH
PERSONNEL OFFICER

THERESA MIMS
COMPLIANCE OFFICER

M A N A G E R S P R E S E N T:

ALBERTA BOULWARE, PROPERTY MANAGER

A P P E A R A N C E S:

ROGUT McCARTHY TROY, LLC
BY: PATRICE E. HEW, ESQ.
COUNSEL FOR THE PATERSON HOUSING AUTHORITY

KIM O. FURBACHER, C.C.R., R.M.R.
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I N D E X

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PAGE

DEPARTMENT OF MODERNIZATION & DEVELOPMENT

Bids/Contracts (2)

- 1. Roizman Development Inc. (RDI) Riverside Terrace Development Phase I - 78 Section 8 Project Based Vouchers 20
- 2. Roizman Development Inc. (RDI) Riverside Terrace Development Phase II - 63 Section 8 Project Based Vouchers 20

DEPARTMENT OF LEASING & OCCUPANCY

Bids/Contracts (2)

- 1. Approve Contract Extension for Senior Citizen Adult Day Care Program 20
- 2. Approve Contract Extension for Family Counseling Program 20

DEPARTMENT OF PLANNING & GRANTS

Bids/Contracts (0)

DEPARTMENT OF ADMINISTRATION

Bids/Contracts (3)

- 1. Reject and Readvertise Proposals for Housing Quality Standards (HQS) Inspections 20
- 2. Installation of Panic Buttons & Monthly Monitoring Service at PHA Developments 20
- 3. Contract Extension - Furnishing & Delivery of Household Appliances (Gas/Electric Ranges and Refrigerators) 20

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I N D E X

PAGE

DEPARTMENT OF ADMINISTRATION

Operations (6)

1. Bad Debts & Provision for Bad Debts (TARS)	20
2. Bill List #1 - Payment for March 2017	20
3. Bill List #2 - CoC Payment for March 2017	20
4. Men's Retreat	20
5. Lease Renewal - Copiers	20
1. Central Office Color Copier	
2. Nathan Barnert Homes Office Copier	
3. Dr. Andrew McBride Homes Officer Copier	
4. Rev. William Griffin Homes Office Copier	
5. Joseph Masiello Homes Office Copier	
6. Richard Jarocki, Jr. - Foreclosure Counselor	20

EXECUTIVE DIRECTOR

Operations (0)

HEARING OF THE GENERAL PUBLIC

<u>NAME</u>	<u>PAGE</u>
Michael Jackson	6

1 CHAIRPERSON McDUFFIE: Motion to open
2 up the Regular Meeting?

3 VICE-CHAIRPERSON RENDINA: Make a
4 motion to open up the Regular Meeting.

5 COMMISSIONER MAVEN: Second.

6 CHAIRPERSON McDUFFIE: Roll call.

7 (At this point in the proceeding roll
8 call is taken with Commissioners Guarasci, Maven,
9 Nation, Vice-Chairperson Rendina, and Chairperson
10 McDuffie present, with Commissioner Bonds absent.)

11 CONFIRMATION OF MINUTES

12 CHAIRPERSON McDUFFIE: Can I get a
13 confirmation for the Workshop and Regular Board
14 Meetings minutes for March 2017?

15 VICE-CHAIRPERSON RENDINA: Motion.

16 COMMISSIONER MAVEN: Second.

17 CHAIRPERSON McDUFFIE: Roll call.

18 (At this point in the proceeding roll
19 call is taken and the motion is passed by a vote of
20 five in favor, with Commissioner Bonds absent.)

21 HEARING OF THE GENERAL PUBLIC

22 CHAIRPERSON McDUFFIE: We're going to
23 open up the public portion of our meeting. We ask
24 that you step forward at this time, name, what your
25 question, situation is, come address the Board at

1 this time. Anybody from the public?

2 MR. JACKSON: So you guys don't have a
3 list or a line outside as you normally do?

4 Michael Jackson, City of Paterson.

5 First, forgive my attire, I just got
6 off the road from Martha's Vineyard. I'm
7 disappointed I missed the first half of the
8 presentation.

9 I wanted to come to this Board to
10 explore the opportunity to expound on further
11 investigation or information, if you will, on this
12 current upcoming project. I think it's a fantastic
13 project. I think all the development in our
14 community is very much so needed, and, you know, I
15 applaud the effort.

16 I just wanted to implore this Board --
17 I'm not here as a City Council person, I'm here as a
18 community representative. But, as a councilman, we
19 weren't privy to a lot of the information, I
20 requested some information, and we still didn't have
21 it provided. But it concerns me where I think that
22 Paterson is consistently undervalued.

23 When you talk about 17 acres of
24 property being sold for a very small amount, when we
25 have less than three acres at the top of next to

1 Hinchliffe Stadium that was sold for \$8 million. So,
2 three acres that was sold for \$8 million, 17 acres
3 sold for \$3 million. It may be a feasible deal, the
4 information, I don't have, so I don't know the exact
5 numbers, but I do feel as if we continue to
6 consistently undersell and undervalue and hold more
7 valuable those who are willing to come in, and part
8 of my concern is drawn because of some of the
9 information that I've derived from other locations.

10 I'll give you an example. Triangle
11 Village, that's been there for quite sometime,
12 they've been able to acquire full or what was
13 considered in Paterson market rate value for their
14 apartments. So apartments at Triangle Village, while
15 we often look at what our actual people of our
16 community are paying, they're actually being paid
17 \$1,900 per apartment. And when you do a
18 cross analysis of the entire marketplace, it's
19 equivalent to what's going on in Wayne and Hackensack
20 and areas such of that nature.

21 But when deals like this are offered,
22 this is often, I mean, I can point out plenty, I've
23 done it in the council in the past, when we tried to
24 introduce various PILOTs, deals like this often come
25 packaged with other incentives for the community.

1 And I want to point out that although
2 it's 17 acres, and it is the people in that
3 population and in that general area that's impacted,
4 it really doesn't stop there, it impacts the entire
5 neighborhood, it impacts the entire community. In
6 fact, that entire ward is completely impacted, when
7 you talk about the amount of schools. And we know it
8 exists there already, but we also have to factor in
9 the fact of, you know, a new development, a new
10 impact.

11 Personally, I haven't been privy to the
12 information, but I have not seen the economic impact
13 from the other projects, I haven't seen those large
14 amounts of jobs that were created, not permanent
15 jobs. And in the past, I have not seen some of the
16 part-time jobs that were created as well. I haven't
17 been, you know, investigating on that, that's why I'm
18 here now putting my nose to the grind.

19 I have in fact seen some of the
20 purchasing, the local procurement that's been
21 happening, so that is a plus. So it is refreshing to
22 hear that that's being looked at and that's something
23 that in the past we've never done, and that's why I
24 believe personally Paterson is in the position that
25 it's in.

1 My experience with the current
2 facilities, personally I don't think that they quite
3 reach the bar. When I went into some of the units,
4 the development and construction was done in a lower
5 tier level. When you look at the amount of time that
6 those former facilities stood by and outstood the
7 test of time, although those, it was different types
8 of materials, those materials lasted quite sometime.
9 So now in today's age the type of the line windows
10 would be Andersen, and those Andersen windows are not
11 being utilized. So the hardware, the doors and
12 windows, they're not utilizing the materials that
13 would last and stand the test of time.

14 So when you go into some of the
15 developments, like in the old Christopher Columbus
16 site, those apartments, the exterior and interior,
17 are deteriorating at a much faster rate. So that's
18 something that needs to be taken under consideration,
19 the maintenance.

20 When you look at the amount of money
21 that's being afforded, one, the vouchers, and from
22 what I understand, these vouchers are being issued at
23 120 percent of value.

24 EXE. DIR. GORHAM: 110.

25 MR. JACKSON: 110 percent of value,

1 okay, but that's a big deal. We're 110 percent over
2 market rate, without saying to a developer, listen,
3 come here, develop a site, get the property under
4 value or what you have to make the acquisition for,
5 be afforded the opportunity to get tax credits, HUD
6 financing, which is a great deal, and then at the
7 same time we're going to guarantee you your rental at
8 110 percent of the value. That's big, and that's
9 something that needs to be spoken to.

10 So when you look at the facilities, you
11 look at the irrigation systems, you look at the
12 maintenance. You know, I send in a number of
13 different complaints year to year on how I think our
14 people deserve to live, you know. Our seniors should
15 be residing in areas that have plush landscaping.

16 CHAIRPERSON McDUFFIE: 30 seconds,
17 Mike.

18 MR. JACKSON: 30 seconds, very good.

19 You know, listen, I think that this
20 Board should do its best due diligence. I'm sure
21 that you have. I just wanted to point out some
22 concerns, and I think these are grave concerns that
23 often as a councilperson they go on deaf ears because
24 the assumption is this Board is doing what is
25 necessary to make sure.

1 And I can send you plenty of
2 information where a lot of communities have been
3 provided new schools, new other facilities, because
4 these projects impact the entire community, not just
5 the general footprint.

6 So, again, thank you for the
7 opportunity and, you know, look forward to hearing
8 what the Board's decisions will be.

9 MR. GUARASCI: May I just ask a
10 question?

11 One of the things that Councilman
12 Jackson said that reminds me to ask a question about:
13 Is there any type of Developer's Agreement -- I did
14 ask the question about social services and social
15 service dollars will be provided. Will Roizman
16 Development be asked through a Developer's Agreement
17 to provide anything else to the City of Paterson?

18 EXE. DIR. GORHAM: One thing that we
19 did consider that just popped in my head was the
20 scholarship piece of it. So, Fred.

21 MR. VAZQUEZ: We have an extensive
22 Developer's Agreement, as we do with all developers.
23 It goes beyond the acquisition price.

24 But, for the record, we're not selling,
25 it's a long-term lease, which at the end of 15 years

1 is the right of first refusal for the Authority to
2 get their property back, depending on the elimination
3 of certain taxes and any mortgages or balances due.

4 The Housing Authority itself is putting
5 in a small portion, it's about \$600,000 per phase, so
6 the bulk of the money is coming from equity.

7 There's also a provision for
8 reimbursement to the Authority of \$150,000 per phase,
9 which has to do with third-party costs. There's a
10 \$1.2 to \$1.5 million escrow account that we spoke of.

11 Within those budgets, there's also
12 replacement housing, replacement reserves for the
13 property and equipment.

14 We spoke about scholarships;
15 approximately \$15,000 per year for scholarships for
16 15 years. Quick math, that's \$225,000.

17 There's a number of components that go
18 with it as well.

19 One of the things you also have to
20 realize, 259 units is what we were tied into because
21 that was the RAD requirement. We realize that
22 because of the new administration, the RAD was not
23 going to be a possibility and the RAD would provide a
24 lot less money towards the project. So we went with
25 mixed finance, as you heard this evening, a four

1 percent tax credit deal and a nine percent tax credit
2 yield. That will yield the equity to build out the
3 project. There's also a \$3.7 million demolition cost
4 that the Housing Authority, if they were to be the
5 developer, would have to borrow the money either to
6 encumber your existing sites or the property. That
7 \$3.7 million is within the structure of the deal.

8 So at the end of the day, if you look
9 at it -- plus we also get net cash flow for the first
10 10 years, year 1 through 10, and 50 percent of net
11 cash flow years 11 through 15. If you math that out,
12 that's basically a couple of million dollars over the
13 years as well.

14 When you look at the overall project,
15 you're looking more in a \$10 million bracket for
16 leasing your land.

17 The other component is that the
18 55,000 square feet that we earmarked, we believe
19 we'll get another half a million dollars for that or
20 higher, depending on what the market bears. That's a
21 taxable property, because it's geared towards retail,
22 so that also addresses some of the concerns about
23 impacting the community.

24 All of our communities are actually
25 planned knowing the impacts, the economic impact to

1 the city, the economic impact to the neighborhood.
2 Tax credits don't generally bring a whole lot of
3 money for community buildings, so we're building a
4 community building. We've tried to build a school
5 with our Heritage development. The school folks said
6 we don't have \$7 million for the building, you have
7 to go out now and find the money. We don't have the
8 money to build it.

9 So if there's more input or more
10 finances from other resources, other than the Housing
11 Authority and what we generate from the sale of tax
12 credits, you know, that's another topic. But
13 generally speaking, long-term lease that at the end
14 of 15 years reverts back to the Housing Authority,
15 actually it could be less than 15 years, if the
16 deferred developer fee is paid before the 15-year
17 period is up.

18 So the Developer's Agreement is
19 probably about 30, 40 pages, and it details all these
20 things. These are not done in a vacuum, it takes a
21 lot of negotiation to get to the place where we got.
22 And I look forward for the project to be very
23 successful and impact both for economic development
24 and great housing for our folks.

25 I take a little bit exception to the

1 fact that there's a comment about inferior housing.
2 We've never built inferior housing. I hope we never
3 do as long as I'm working here, and we will certainly
4 keep our eye to make sure it doesn't occur.

5 And as I said, all of our projects have
6 replacement reserves and things of that nature.
7 There should never be no need for anything to be in
8 disrepair.

9 If we're talking about Christopher
10 Columbus, that's going on 20 years, that's a 1997
11 HOPE VI, so that's been in existence for a while.

12 In the case of Riverside Terrace, yeah,
13 it's 70 years old, but it's been bad for probably the
14 last 10 years. And in terms of what's there now,
15 even though you may have an appraised value, it's
16 been going downhill. Why? We've had to close at
17 least two of our three-story walkup buildings.

18 Why?

19 Because of structure concerns.
20 Structure concerns means the building can collapse.
21 Sure, it looks fine on the outside, all your joists
22 are rotting and the floors are beginning to cave in.
23 We had similar with the townhouses.

24 So at some point you do have to make a
25 determination whether you want to try to do something

1 with that or go in another direction. It's similar
2 to what we've done with the HOPE VIs, although this
3 is not a HOPE VI so it doesn't bring any money except
4 for the Replacement Housing Factor funds that I
5 alluded too. That's how we proceed here.

6 CHAIRPERSON McDUFFIE: That
7 presentation you made I thought was quite thorough,
8 and I hope that we take that and put that in some
9 type of form along with what they have so it is so
10 plainly laid out. I think it's good that those
11 points were made, because that gives us our
12 information we need so we can always say, "This is
13 what we see," and it gives us the ability to
14 communicate that to others, whether it's Councilman
15 Jackson or anybody else, we say this is why we set
16 this. So I thought that presentation was quite
17 thoroughly given.

18 MR. GUARASCI: Can members of the Board
19 have a copy of the Master Developer's Agreement?

20 EXE. DIR. GORHAM: When we get to the
21 point that it's final, we will.

22 COMMISSIONER GUARASCI: Does that
23 require Board approval or is that done
24 administratively?

25 EXE. DIR. GORHAM: It's part of the

1 closing documents. We don't usually come back to the
2 Board with that.

3 MR. VAZQUEZ: Right. You authorize us
4 with the authorizing resolution when we award to the
5 developer to reach a Master Development Agreement.

6 COMMISSIONER GUARASCI: So the Master
7 Development Agreement is or is not consummated at
8 this point in time?

9 MR. VAZQUEZ: It's 99 percent
10 consummated.

11 COMMISSIONER GUARASCI: At the point
12 it's 100 percent consummated, we will be given a copy
13 of it?

14 MR. VAZQUEZ: Sure, any Board member
15 who requests it, yes.

16 EXE. DIR. GORHAM: Yes.

17 COMMISSIONER GUARASCI: I think, along
18 the lines of what our Chairman has said, it allows us
19 to be more educated and to answer questions about the
20 entire project.

21 MR. VAZQUEZ: Sure.

22 COMMISSIONER NATION: Madam E.D., you
23 came to council last week, was that resolution
24 passed?

25 EXE. DIR. GORHAM: Yes, that resolution

1 was passed. The next day I picked up the certified
2 copies and got it out, so that we could submit the
3 application, yes.

4 COMMISSIONER NATION: So what the
5 Chairman is saying, maybe what we need to do is to
6 probably do that same presentation and submit it to
7 our colleagues at the council, so at least they'll
8 have a better clear mind so when we have to go back
9 in front of them again, by that time there will be
10 clarity.

11 EXE. DIR. GORHAM: Well, I don't think
12 we have to go back to the City Council on this
13 particular project. As I've stated initially, it was
14 actually a city resolution as to the need, and, you
15 know, putting as to need, it should have been more
16 data about the housing condition and that sort of
17 stuff in the city, but it just happened that whoever
18 prepared the reso dropped the Riverside project, the
19 two phases in it. It has never been done like that
20 before.

21 COMMISSIONER NATION: Okay.

22 EXE. DIR. GORHAM: So, no.

23 COMMISSIONER MAVEN: Doesn't the
24 council have people representing on here?

25 EXE. DIR. GORHAM: Yes, all of you at

1 this point, except for Bob, have been appointed by
2 the City Council.

3 And on this particular project, there's
4 a community Development Committee that we usually go
5 to for the council and talk about the project, but
6 everything, you know, gets changed and other dynamics
7 become the process. We usually go before the
8 Community Development Committee, present the project
9 with the developer, with the Director of Development,
10 myself, whomever, and whatever comments, we take, we
11 change. We also meet with the City Councilperson
12 whose ward it's in one-on-one, working, pull it out,
13 let's do it. And all those things, except for the
14 committee meeting was held. We haven't heard of a
15 Development Committee meeting in years, yes, years.
16 We always went before them with the project.

17 COMMISSIONER MAVEN: Just for clarity.

18 COMMISSIONER GUARASCI: Just kind of a
19 little off topic, but, Director, when you mentioned
20 committees, back in February at the annual meeting,
21 we were placed on committees and I'm on the Finance
22 Committee and one other, I can't recall at the
23 moment, but I haven't gotten notice of any meetings
24 and I just want to make sure I'm not missing.

25 EXE. DIR. GORHAM: We haven't had any

1 Finance Committee meetings. The most standing
2 committee is the Personnel Committee. From
3 time-to-time, we would let the Chair know in terms of
4 the Finance Committee, so, yes, there haven't been
5 any.

6 COMMISSIONER GUARASCI: So, presumably
7 I would be notified of any committee meeting?

8 EXE. DIR. GORHAM: Sure.

9 CHAIRPERSON McDUFFIE: Sure.

10 EXE. DIR. GORHAM: Absolutely.

11 CHAIRPERSON McDUFFIE: Okay. Let's get
12 a motion for a Consent Agenda.

13 VICE-CHAIRPERSON RENDINA: Don't we
14 have to close the public portion?

15 I make a motion we close the public
16 portion of the meeting.

17 COMMISSIONER NATION: Second.

18 CHAIRPERSON McDUFFIE: Roll call.

19 (At this point in the proceeding roll
20 call is taken and the motion is passed by a vote of
21 five in favor, with Commissioner Bonds absent.)

22 RESOLUTIONS OF UNANIMOUS CONSENT

23 CHAIRPERSON McDUFFIE: Motion for a
24 Consent Agenda?

25 VICE-CHAIRPERSON RENDINA: I make a

1 motion.

2 COMMISSIONER GUARASCI: I will need to
3 recuse myself from --

4 COMMISSIONER NATION: You're seconding?

5 COMMISSIONER GUARASCI: So I'll second
6 the Consent Agenda, but then I guess during the vote
7 is when I will recuse myself.

8 CHAIRPERSON McDUFFIE: Yes.

9 Roll call.

10 MS. WARREN: Commissioner Guarasci?

11 COMMISSIONER GUARASCI: Yes, except I
12 recuse from the bill list No. 2, Continuum of Care
13 payments.

14 MS. WARREN: Commissioner Maven?

15 COMMISSIONER MAVEN: Yes, and abstain
16 from bill list No. 1.

17 CHAIRPERSON McDUFFIE: Roll call.

18 (At this point in the proceeding roll
19 call is taken and the motion is passed by a vote of
20 five in favor, with the noted abstentions.)

21 CHAIRPERSON McDUFFIE: Motion to
22 receive the Consent Agenda.

23 COMMISSIONER MAVEN: So moved.

24 VICE-CHAIRPERSON RENDINA: Second.

25 CHAIRPERSON McDUFFIE: Roll call.

1 (At this point in the proceeding roll
2 call is taken and the motion is passed by a vote of
3 five in favor, with the noted abstentions.)

4 CHAIRPERSON McDUFFIE: Motion to close?

5 VICE-CHAIRPERSON RENDINA: I make a
6 motion we close the meeting.

7 COMMISSIONER GUARASCI: I have one
8 question. I noticed in the correspondence that
9 Commissioner Ramirez has resigned.

10 CHAIRPERSON McDUFFIE: Yes, Mr.
11 Ramirez, he has resigned.

12 EXE. DIR. GORHAM: Yes, he did. We got
13 a letter.

14 COMMISSIONER GUARASCI: Okay. What
15 happens next?

16 EXE. DIR. GORHAM: The person who
17 appointed him will reappoint someone.

18 COMMISSIONER GUARASCI: Is that a
19 member of the City Council?

20 EXE. DIR. GORHAM: Yes. Everyone is a
21 member of the City Council except for the Governor's
22 appointee.

23 COMMISSIONER GUARASCI: And what about
24 the position that was held by Commissioner Bonds?

25 EXE. DIR. GORHAM: Well, the City

1 Council received a recommendation, but now they're
2 trying to figure out which City Council member will
3 get to appoint them. We've had some conversations,
4 regarding the type of person, the City Council has
5 letters documenting that, so that's in the works.

6 CHAIRPERSON McDUFFIE: Motion to close.

7 VICE-CHAIRPERSON RENDINA: So moved.

8 COMMISSIONER MAVEN: Second.

9 CHAIRPERSON McDUFFIE: Roll call.

10 (At this point in the proceeding roll
11 call is taken and the motion is passed by a vote of
12 five in favor, with Commissioner Bonds absent.)

13 (Whereupon, the Regular Meeting is
14 adjourned at 7:01 p.m.)

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C E R T I F I C A T I O N

I, KIM O. FURBACHER, License No. XIO1042, a Certified Court Reporter, Registered Merit Reporter, Certified Realtime Court Reporter, and Notary Public of the State of New Jersey, hereby certify that the foregoing is a verbatim record of the testimony provided under oath before any court, referee, board, commission or other body created by statute of the State of New Jersey.

I am not related to the parties involved in this action; I have no financial interest, nor am I related to an agent of or employed by anyone with a financial interest in the outcome of this action.

This transcript complies with Regulation 13:43-5.9 of the New Jersey Administrative Code.

KIM O. FURBACHER, CRCR, CCR, RMR
License #XIO1042, and Notary Public
of New Jersey

My Commission Expires:
7/11/19